

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Public Program Branch**

**RESOLUTION T-16747
Date: June 5, 2003**

R E S O L U T I O N

RESOLUTION NO. T-16747. TO ESTABLISH THE DEAF AND DISABLED TELECOMMUNICATIONS EQUIPMENT AND SERVICE PROGRAMS (PUBLIC UTILITIES CODE SECTION 2881, ET SEQ.) 2003-2004 BUDGET PURSUANT TO DECISION NO. 89-05-060.

SUMMARY

This resolution recommends an annual budget of \$57,164,827 for the Deaf and Disabled Telecommunications Equipment and Service Programs (DDTP), pursuant to Public Utilities (PU) Code Section 2881, et seq. for Fiscal Year (FY) 2003-2004. During 2002-2003, the surcharges remitted to the DEAF Trust exceeded expenditures due to an unanticipated increase in the telecommunications billing base. This resolution thus recommends that the surcharge be decreased from its current rate of 0.30% to 0.047% beginning on July 1, 2003.

The 2003-2004 budget is the first budget cycle in which the provisions of Senate Bill (SB) 669 (1999) and Assembly Bill (AB) 1734 (2002) are fully implemented. The 2003-2004 budget year is the first of two transition years for the DDTP as was approved by the Commission in Resolution T-16703. Beginning on July 1, 2003, the DDTP will be administered by the Commission; the newly formed Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) will provide advice and recommendations to the Commission. July 1, 2003 also marks the first day that the DDTP will be operated and managed by a state contractor. In Resolution T-16740, the Commission approved the awarding of the California Communications Access Foundation (CCAF) as the contractor to provide the services of the DDTP, pending review and approval by the Department of General Services (DGS).

Because of the successes in the 2002-2003 marketing campaigns, TD recommends increased efforts in marketing and outreach during the 2003-2004 budget cycle to include a campaign to educate Californians on the newly structured California Relay Service (CRS) to be implemented in early 2004. Although the DDTP has experienced increases in the number of consumers using specialized equipment due to the increased

marketing efforts in 2002-2003, the increase in users has not corresponded with an increase in equipment expenses. Hence, TD recommends maintaining approximately the same equipment expenses for the 2003-2004 budget as those in 2002-2003 budget.

BACKGROUND

The Commission established the DDTP to implement three legislative mandates: PU Code Section 2881(a) authorizes the provision of TTYs to deaf or hard of hearing individuals; PU Code Section 2881(c) authorizes the provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and cognitive disabilities; and PU Code Section 2881(b) uses third-party intervention (also known as the California Relay Service (CRS)) to connect consumers who are deaf or hearing impaired with hearing parties. The DDTP is currently managed by an external staff acting as agents of the Commission. An administrative committee, the DDTP Administrative Committee (AC), administers the DDTP and oversees its finances. Two advisory committees, the Equipment Program Advisory Committee (EPAC) and the CRS Advisory Committee (CRSAC), advise the DDTPAC on the equipment and relay service programs.

SB 669, signed by Governor Gray Davis in 1999, changes the current operations of the Commission's public programs in two ways: 1) it transfers the funds for the programs from a bank trust fund to the State Treasury and 2) it changes the duties of the administrative committees to those of advisory boards. The Commission successfully implemented the requirements of SB 669 by October 1, 2001 for the California High Cost Fund-A, California High Cost Fund-B, California Teleconnect Fund, and Universal Lifeline Telephone Services programs.

Because of the size of the DDTP and the complexities involved, the Commission sought an extension of the original deadline for the transfer of the DDTP funds. AB 1734, signed into law in June 2002, 1) authorizes the Commission to contract for the DDTP services, 2) provides for an extension of the deadline from July 1, 2002 to July 1, 2003, 3) creates, on July 1, 2003, the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), formerly the DDTPAC, as an advisory board to the Commission, and 4) requires the current DDTPAC to provide a report to the Commission recommending a transition plan.

On October 1, 2003, the DDTPAC provided a transition plan to the Commission. The Commission responded by holding a day-long workshop that discussed both the DDTPAC's recommendations and the TD staff recommendations. The workshop provided the opportunity for public input and comment. As a result of the workshop, TD drafted a resolution with a recommended transition plan. On December 22, 2003, the Commission adopted Resolution T-16703 approving a transition plan which included the release of an Invitation For Bid to operate and manage the programs and

services of the DDTP. On May 22, 2003, the Commission approved Resolution T-16740 awarding the contract to operate and manage the DDTP to the California Communications Access Foundation (CCAF), pending DGS review and approval.

Also on May 22, 2003, the Commission approved Resolution T-16746, an augmentation cap for the 2002-2003 DDTP budget in the amount of \$16,956,350. These funds will 1) cover the necessary costs of events associated with the transition of the DDTP and 2) provide financial and operational stability to the DDTP during the first quarter of the program transition (July 1 – September 30, 2003). Appendix A, column B, shows the augmented budget as approved by the Commission.

Ordering Paragraph 8 of T-16746 directs the Commission Executive Director to review, approve, and direct TD to implement the amending of current contracts to include up to a 25 percent advance payment to program contractors deemed at-risk during the first quarter of the transition and 2) up to a 90-day pre-payment to non-contracted program vendors to ensure the delivery of essential goods and services during the first quarter of the transition. Where advances and prepayments have been provided, an amount equal to the advance or prepayment will be subtracted from 2003-2004 estimates.

DISCUSSION

Revenues

For the 2003-2004 budget, TD estimates a billing base of \$19.845 billion. Because of a higher than anticipated billing base in 2002-2003 resulting in higher than anticipated surcharges remitted, TD recommends a revised surcharge rate decreased from 0.30 % to 0.047 % beginning on July 1, 2003. DDTP funds are scheduled to be transferred to the DDTP Administrative Committee Fund in the State Treasury on July 1, 2003¹. The State of California provides interest on accounts in the State Treasury. TD estimates that the interest on the DDTP funds in 2003-2004 will equal approximately \$570,000. TD estimates total revenues of \$19.4 million in 2003-2004.

2003-2004 DDTP Budget Changes

TD anticipates several program changes affecting the 2003-2004 budget cycle: 1) the DDTP will be managed and operated by an independent state contractor, 2) the DDTP will implement a new CRS structure in early 2004, and 3) a seventh walk-in center, approved in Resolution T-16627, will become operational in July 2003.

¹ Public Utilities Code Section 270.1(g) and 278.(b) require that, on July 1, 2003, funds in the Deaf Equipment Acquisition Fund (DEAF) Trust transfer to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund in the State Treasury.

Resolution T-16740, approved by the Commission on May 22, 2003, awarded the contract to provide the personnel to operate and manage the DDTP to the California Communications Access Foundation (CCAF) for a two-year period at a cost not to exceed \$6,844,800 per year. The contract includes a provision for a 25 percent advance payment to be provided on or about June 16, 2003 and June 16, 2004. The 25 percent advance payment per year is subtracted from the annual contract estimate. The cost of the contract for the 2003-2004 budget shall not exceed \$6,844,800. The 25 percent advance payment to be provided on or about June 16, 2003 was included in the 2002-2003 DDTP budget augmentation. The 2003-2004 budgeted amount includes nine months of the contracted personnel fees (October 2003-June 2004) and the 25 percent advance payment for 2004-2005 to be paid on or about June 16, 2004. TD has allocated this amount throughout the budget categories in lieu of former personnel costs. The estimate allocated for each category will be included in the individual budget categories discussed later in this resolution.

On May 20, 2003, TD released, for public comment, Draft Resolution T-16741 recommending that the Commission authorize the Commission's Executive Director to award six contracts to provide the CRS at a total cost of approximately \$146 million for five and one-half years. These six contracts represent a new CRS structure whereby CRS is provided by three types of providers: 1) one network services provider which provides the inbound and outbound network transport and consumer billing, 2) four call center services providers which provide the relay services including Speech-to-Speech (STS), video relay service and web chat relay service, and 3) one network management services provider which provides the routing of 7-1-1 and DDTP 800 calls as well as auditing and reporting performance costs of the other CRS contractors.

TD anticipates that the new CRS structure will not be fully implemented until early 2004. The current CRS structure will remain in place for part of the 2003-2004 budget cycle. The new CRS structure will then be operational for the remainder of the 2003-2004 budget cycle. Estimates for the 2003-2004 budget costs of these items are discussed in the Telecom Expenses section of this resolution.

The third program change impacting the 2003-2004 budget is the opening of a seventh walk-in center in Burbank. The opening of this walk-in center marks the completion of the centralization of the DDTP², a project which began in 1999. The Burbank walk-in center will replace the former Studio City walk-in center operated by the former Pacific Bell Telephone Company³ prior to the centralization of the DDTP. The Studio City

² To reflect the emergence of a competitive local carrier market and the requirement that these carriers provide qualified customers equipment under the DDTP program, the Commission directed the DDTPAC to centralize its equipment procurement and distribution program. In April 1997, the Commission adopted Resolution T-16017 authorizing the DDTPAC to engage consultants to assist in the development and implementation of a centralized DDTP program to assume these former utility functions.

³ Pacific Bell Telephone Company changed its name to SBC in 2002.

walk-in center served almost 7,000 customers annually, second only to the Pacific Bell Sacramento walk-in center. Given this information and the fact that Sacramento served 2,823 customers in the year 2002, TD estimates that the Burbank walk-in center will serve approximately 3,000 customers during the 2003-2004 budget year. Budget estimates for the Burbank walk-in center are discussed in the Field Operations category.

Telecom Expenses

SB 597—P.U. Code Section 2881(a)

Telecommunication Devices for the Deaf and Hearing-Impaired

TD reviewed the SB 597 equipment purchases budget allocations and actual expenses over the past three budget cycles. The 2001 budget allocated \$1.406 million for equipment purchases. Actual 2001 equipment purchases for SB 597 equaled approximately \$1 million. The Commission approved \$800,000 for equipment purchases in the January through June 2002 budget. Actual SB 597 purchases for the January through June 2002 budget were 17 percent below budget. Consistent with the prior two budget cycles, the July 2002 through February 2003 SB 597 equipment purchases were 49 percent below budget despite increases in new DDTP customers and equipment in service.

TD reviewed the monthly SB 597 equipment purchases since July 2002. Actual equipment purchases have been under budget (year-to-date) for the past eight months as shown on the following table:

Actual SB 597 Equipment Purchases in 2002-2003							
July 2002	August 2002	September 2002	October 2002	November 2002	December 2002	January 2003	February 2003
\$0	\$47,718	\$221,398	\$15,866	\$113,298	\$11,026	\$135,120	\$29,442
-100%	-83%	-35%	-48%	-43%	-51%	-45%	-49%

At the current trend, TD estimates the 2002-2003 outlook for SB 597 equipment purchases to be approximately \$1,033,011. This estimate is 40 percent under the budgeted amount of \$1,745,000 for the 2002-2003 budget. Conversely, TD anticipates that the recent DDTP marketing campaign and the July 2003 opening of the Burbank walk-in center will increase the demand for more SB 597 equipment.

Additionally, the DDTP anticipates purchasing four new pieces of equipment for the SB 597 program including fax machines, amplified cordless phones, inductive coupler devices and web cams. At this time, inductive coupler devices and web cams are not on the Commission-approved DDTP equipment list. Unless the Commission approves the inductive coupler device and web cam for inclusion on the list, the DDTP cannot purchase either or use the \$600,000 allocated for the

purchase of web cams and inductive coupler devices. Based on past SB 597 equipment purchases and the possible addition of new equipment, TD recommends \$2,319,300 for SB 597 equipment purchases in the 2003-2004 DDTP budget.

Based on historical trends, TD estimates an additional \$200,500 for tariffed services, maintenance and repairs, and small miscellaneous expenses for SB 597.

TD recommends total expenses of \$2,519,800 for SB 597 in the 2003-2004 budget.

SB 60—P.U. Code Section 2881(c)

Specialized Communication Equipment for the Disabled

TD reviewed the SB 60 equipment purchases budget allocations and actual expenses over the past three budget cycles. In the year 2001, the DDTP spent \$3.364 million for equipment purchases, approximately eight percent over budget. From January 2002 through June 2002, the DDTP spent \$2.498 million, approximately seven percent under budget. The Commission adopted \$5.989 million for SB 60 equipment purchases in the 2002-2003 budget. From July 2002 through February 2003, the DDTP incurred expenses of \$2.846 million, approximately 28 percent under budget.

As with equipment purchases in SB 597, the recent DDTP marketing campaign and the July opening of the Burbank walk-in center will create a need for increases in equipment purchases in SB 60. In addition, the DDTP anticipates purchasing two new items: a cordless phone and an anti-stuttering device. TD recommends including estimates in the 2003-2004 DDTP budget for the purchase of the cordless phones and anti-stuttering devices. Therefore, TD recommends \$5,653,463 for SB 60 equipment purchases in the 2003-2004 DDTP budget.

Based on historical trends, TD included an additional \$1.395 million for tariffed services, maintenance and repairs and smaller miscellaneous expenses for SB 60.

TD recommends expenses of \$7,048,463 for SB 60 in the 2003-2004 DDTP budget.

SB 244—P.U. Code Section 2881(b)

The California Relay Service

The SB 244 program has three budget items: CRS, STS and remote server observing program. These will be addressed individually.

As discussed previously, the CRS will undergo a structural transition during the 2003-2004 budget year. It is anticipated that the transition will be fully implemented sometime in early 2004. Budget estimates will be based upon costs of the former and new CRS structure, with an overlap of one month.

In the 2002-2003 DDTP budget resolution, TD noted a decline in CRS usage from 2000 to 2002. It was unclear at that time, and remains unclear, whether the decline is due to decreased marketing and outreach to users in 2001, increased internet usage or some other unknown cause. TD recommended maintaining 2000 expense levels until DDTP staff ascertains further information on this issue. In the 2002-2003 budget cycle, only two of the first eight months show the monthly billed minutes at or above the average monthly billed minutes of 1.523 million that the program experienced during the first six months of 2002. TD estimated expenses of \$27,194,600 for the CRS 2002-2003 budget. CRS expenses from July 2002 through February 2003 are under budget by 15 percent. TD estimates that for the 2003-2004 budget cycle, the old CRS structure will produce expenses of \$13,852,720.

The DDTP retained the services of the consulting firm of Hesse, Stobbe, and O'Sullivan (HSO) to oversee the procurement and implementation of the new CRS structure. HSO estimated the year-one expenses for the new CRS structure to be approximately \$28,778,874. Based on the HSO calculation, TD estimates expenses for the new CRS structure in the 2003-2004 budget will be approximately \$15,026,141. TD recommends a total of \$28,878,861 for CRS expenses in the 2003-2004 DDTP budget.

To a small degree, the DDTP continued to experience cases of fraudulent use of the STS program, leading to unreliable growth numbers. The current vendor, MCI Worldcom, agreed to cap monthly invoices at 15 percent above the costs for the same month during 2001. This, in addition to the decreased rate from \$2.70 per session minute to \$2.469 per conversation minute led to lower than anticipated expenditures for the 2002-2003 budget cycle. As of February 2003, expenditures for the STS program are under budget by over 55 percent. With the transition of the CRS, costs for the STS program will be included in the overall costs of the CRS once the transition is completed. Given the decrease in the costs, TD estimates a total of \$194,077 for the STS program in the 2003-2004 DDTP budget.

In addition to the CRS and the STS, the SB 244 budget includes expenses for a remote server observing program. This will become obsolete with the transition of the CRS structure. Expenses for the last three budget cycles were \$205 for the 2001 budget, \$20,105 for the January through June 2002 budget, and \$10,552 for the July 2002 – February 2003 budget months. TD estimates \$8,000 for remote server observing program in the 2003-2004 DDTP budget.

TD recommends total expenses of \$29,080,938 for SB 244 programs in the 2003-2004 DDTP budget.

Other Non-Administrative Expenses

On May 22, 2003, the Commission approved Resolution T-16740, recommending the award of a two-year contract to provide the personnel to operate and manage the DDTP to the CCAF at an annual cost of \$6,844,800. In approving T-16740, the Commission also directed the Commission Executive Director to submit the proposed contract to DGS for its review and approval. A 25 percent advance payment will be provided to CCAF once the contract is approved by DGS. The 2003-2004 budget estimate for this contract includes 75 percent of year one expenses and a 25 percent advance payment for year two to be paid out to the contractor on or about June 16, 2004. The recommendations for personnel expenses are based on the assumption that DGS will approve the contract between the Commission and the CCAF. TD has divided the annual cost of this contract, \$6,844,800, amongst the non-Telco categories, in lieu of personnel costs.

Equipment Program

During the 2002-2003 budget year, the DDTP amended the contracts for the equipment distribution warehouse and distribution contract labor. The contracts expire on June 30, 2003. TD has requested that the current staff of the DDTP negotiate contract amendments prior to the June 30 expiration date to ensure appropriate budget estimation. At this time, the DDTP has not completed contract negotiations.

In September 2002, the DDTP negotiated a 10 percent rate increase for warehouse labor. While the 2002-2003 budget allocated \$850,000 for distribution contract labor, the DDTP had spent \$419,666 from July 2002 through February 2003, which is approximately 25 percent under budget. Based on the lower than anticipated expenses in July 2002 through February 2003 and a potential future increase in labor, TD estimates \$800,000 for distribution warehouse labor in the 2003-2004 budget. TD estimates \$200,000 for warehouse rent for the 2003-2004 budget, based on the last amended contract.

From July 2002 through February 2003, expenses for freight charges equaled \$523,567. Although the freight charges for the budget year thus far are slightly below what was budgeted, TD assumes an increase of ten percent due to an increase in the cost of gasoline and an increase in equipment usage. TD recommends \$880,000 for freight charges in the 2003-2004 DDTP budget.

Based on the proposed contract between the Commission and CCAF, TD estimates 2003-2004 contracted personnel expenses of \$351,851.

After including miscellaneous supplies such as mailing boxes and labels estimated at \$62,500 and travel expenses estimated at \$7,300, and subtracting \$489,000 (the

advance payment to be provided to the warehouse and warehouse labor contractors on or before June 30, 2003), TD recommends total expenses of \$1,892,651 for the equipment program in the 2002-2003 DDTP budget.

Field Operations

This budget category covers the expenses of the field operations including the seven walk-in centers. The current staff of the DDTP has leased space for a seventh walk-in center in Burbank and anticipates operations to begin in July 2003. This is the final planned walk-in center to be opened, marking the completion of the centralization project. Funding for the Burbank center was included in the 2002-2003 budget, but difficulties in locating a space and finalizing the lease caused delays. TD estimates that the opening of the Burbank center will have less than a ten percent impact on the non-personnel costs in this budget category.

TD reviewed the July 2003 through February 2003 expenses for the equipment category, determining costs to be currently under budget by 20 percent. TD recommends increases in this budget category due to annual lease increases, and telephone and office supplies costs for the new center. TD estimates that the non-personnel costs for the equipment category to be \$688,677.

Based on the proposed contract between the Commission and CCAF, TD estimates contractor personnel costs to be \$2,960,541.

TD recommends \$3,649,218 for field operations expenses in the 2003-2004 budget.

Customer Contact

The customer contact budget category primarily covers the expenses for the call center. The current staff of the DDTP negotiated new rates for the call center service contract for 2003-2004. New to the contract rates is the elimination of the 100,000 minute per month guarantee. The cost per minute increased from \$4.60 to \$5.40. DDTP staff reasoned that despite the large increase in per minute cost, the new contract rates were advantageous to the DDTP. Statistics show that the program never used 100,000 minutes per month during the old contract. But because of the guarantee in the contract, the DDTP had to pay for 100,000 minutes equaling \$460,000 per month. The DDTP staff claimed that the program used an average of approximately 80,000 minutes per month; which equals \$432,000 per month. The DDTP staff contends that the new contract rates will save the program approximately \$336,000 annually.

TD reviewed the number of minutes invoiced to the DDTP from February 2002 through February 2003. The average number of minutes invoiced per month is 83,573. However, in January 2003, the DDTP implemented a marketing effort that targeted the call center. The number of minutes invoiced to the DDTP for the month

of January 2003 was 179,378. By eliminating the highest invoice and the lowest invoice of 62,186 minutes in December 2002, TD calculated what it believes to be a more accurate average number of minutes: 76,807. Using this average, TD estimates the monthly cost of the call center contract charges during 2003-2004 to be approximately \$415,000. TD anticipates that the DDTP will implement two marketing campaigns focused on the call center and estimates that for two months call center charges will be equal to \$972,000. Thus, TD recommends \$6,094,000 for call center contract charges in the 2003-2004 DDTP budget.

The new call center contract also includes an increase in the project rate from \$16.25 to \$20 per hour. During the 2002-2003 budget year, special project charges averaged approximately \$38,500 a month. TD recommends \$462,000 for call center project costs in the 2003-2004 budget.

In Resolution T-16663, TD recommended revisiting the requests for a new database and document management systems in the 2003-2004 budget resolution. The staff of the DDTP advised TD that the current database, Quantum, is outdated and limited in reporting capabilities. TD concurs with the assessment of Quantum. TD recommends that the Commission direct TD and the Information Management Services Division (IMSD) to work with the new contractor, CCAF, to research and develop a proposal for the procurement of a new centralization database and a document management system. TD estimates the time needed to perform the research on and develop a proposal for procurement of the database and document management system to be approximately nine months to one year. TD recommends that the Commission direct TD and IMSD to provide the procurement proposal to the Director of TD by December 1, 2003. TD recommends that actual procurement of the database and document management system take place in the budget year 2004-2005. In the interim, DDTP has contracted with Riptide Services to continue to provide maintenance and support for the current database at an annual cost of \$160,000. TD agrees with the estimates for the Riptide Services and recommends that \$160,000 be included in the 2003-2004 budget for database maintenance and support.

Based on the proposed contract between the Commission and CCAF, TD estimates the contracted personnel costs for the customer contact budget category to be \$255,958.

After including miscellaneous expenses of \$12,800 for software and travel costs and subtracting \$1,626,000 for advance payments to be made to contractors on or before June 30, 2003, TD recommends a total of \$5,323,658 for customer contact expenses in the 2003-2004 DDTP budget.

CRS

As described in the SB 244 discussion, the DDTP retained the services of HSO to oversee the procurement and implementation of the new CRS structure. In 2002-2003 TD estimated \$318,600 for the HSO contract in the CRS category, as set forth in the HSO contract amendment 1. Actual expenses exceeded estimates by 18 percent through February 2003. In February 2003, HSO proposed another amendment which added \$321,877 to the contract amount for 2003-2004. The contract amendment sets forth three remaining phases of the contract: Award, Implementation, Operational, Network Management Service (NMS) phase 2 Implementation, and NMS phase 2 Operational phases. The total contract costs for these phases are estimated at \$500,000. TD agrees with these additions and the estimate for the consultant fees. Subtracting \$90,000 (the amount of the advance payment to be provided on or before June 30, 2003), TD recommends \$410,000 for consultant fees for CRS in the 2003-2004 DDTP budget.

The other major allocation in the CRS budget category is contracted personnel costs which, based on the proposed contract between the Commission and CCAF, TD estimates to be \$266,969 for the 2003-2004 budget.

After including costs of \$9,700 for travel, TD recommends total expenses of \$684,869 for the CRS budget category in the 2003-2004 budget.

Marketing & Outreach

The DDTP's marketing plan for 2002-2003 focused on promoting the walk-in centers and the equipment program via the call center. In Resolution T-16663, TD stated concern that funds spent on promoting the DDTP were not providing results. The DDTP staff responded with two marketing efforts that produced significant results.

First, the marketing staff held an October Statewide Celebration Day that promoted and increased awareness of the walk-in centers and the California Telephone Access Program (CTAP), and launched the opening of the Oakland walk-in center. The event featured an open house at each service center with free hearing test for customers and equipment demonstrations by DDTP customer advisors. Flyers were sent to residents in zip codes surrounding each of the six walk-in centers inviting them to attend.

Statistics on walk-in center visits in 2002 show an 86 percent increase from September (1,101) to October (2,054). Of those visiting the centers in October, 994 were new customers who went home with 1,930 units of equipment. While the total number of walk-in center visits per month in July through September and November through December hovered between 1,000 and 1,100; the number of new customers increased from an average of 448 per month during the three months before the October months to an average of 542 per month during the two months

following the campaign. The units of equipment received by customers at the walk-in centers also increased from an average of 1,008 units per month in the three months before the October campaign to 1,185 units per month during the two months following the campaign.

A second marketing campaign in January showed even greater results. The campaign, lasting three weeks, focused on the CTAP and the call center. Newspaper ads, radio spots and posters in 720 bus shelters touting “free phones” invited interested parties to contact the call center or visit a walk-in center for more information. Since one of the goals of the campaign was to raise awareness of the CTAP, the DDTP performed a telephone survey in the Los Angeles and San Francisco areas prior to the three week campaign. Following the campaign, the DDTP surveyed the same areas to determine the effect of the campaign.

TD reviewed the statistics of the call center, walk-in centers and equipment distribution before and after the January campaign and concluded the campaign to be a success. The call center handled 42,806 calls in January 2003, an increase of more than 300 percent over the 13,728 calls handled in December 2002. The number of calls handled in February 2003 declined to 19,446, but remained higher than any other month in 2002 including October 2002 when the walk-in center campaign was held. The increase in the number of calls resulted in an increase in the number of potential new customers – program certification forms were sent to 20,397 interested individuals. In December 2002, the call center mailed out 2,199 certification forms – ten percent of those mailed in January. In February 2003, 5,768 certification forms were mailed to potential new customers.

As a result of the two successful campaigns, TD recommends three marketing campaigns during the 2003-2004 budget year. One campaign should focus on educating Californians on the new CRS structure. The other two campaigns should again focus on the CTAP and the walk-in centers.

TD reviewed the expenditures for the marketing materials budget from July 2002 through February 2003. As of February 2003, the marketing materials budget was under budget by 13 percent. DDTP marketing staff noted that the budget numbers as of February 2003 included 95% of the expenses for the January campaign. In addition to two marketing campaigns, the DDTP marketing staff has also produced two quarterly newsletters, and the DDTP annual report.

TD estimates that, based on expenditures as of February 2003, materials for three major campaigns in addition to daily marketing materials are approximately \$1,950,000. TD recommends expenses for marketing materials in 2003-2004 as set forth in Appendix B of this resolution.

Based on the proposed contract between the Commission and CCAF, TD estimates total contracted personnel costs for the 2003-2004 budget to be \$1,507,867. TD estimates other direct expenses at \$278,200. These expenses include costs for communication assistants, travel, vehicle leasing, supplies, and training. TD estimates total outreach costs to be \$1,786,067.

TD recommends \$3,736,067 (\$1,950,000 for materials and \$1,786,067 for outreach) for the marketing and outreach budget category in the 2003-2004 budget.

Administrative Expenses

Audits (formerly Trust Administration)

The administrative transition and transfer of DEAF Trust funds on July 1, 2003 impacts this budget category. The DEAF Trust will close on July 1, making trustee and financial advisor expenses no longer necessary. External legal expenses will also no longer be necessary. Expenses of \$200,000 for communication assistance used during meetings of the three advisory committees have been reallocated to the committee category. Consistent with the other public programs administered by the Commission, TD recommends \$700,000 for program and financial audits in the 2003-2004 budget.

Committee Expenses

A notification from the Department of Finance (DOF) ⁴ requires all State advisory bodies to limit their meetings to no more than one meeting for FY 2003-04. The Commission has not determined the extent to which the DOF will apply this policy to the committees of the DDTP. The estimates in this budget assume that DOF will approve the continuance of DDTP committee members meeting on at least a monthly basis in order to provide operational and policy-based advice to the Commission. The committee expenses category includes communication assistance, per diem, travel expenses, and miscellaneous meeting expenses for the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), Equipment Program Advisory Committee (EPAC) and the CRS Advisory Committee (CRSAC). TD estimated expenses based on 13 meetings for the EPAC, 14 meetings for the CRSAC and 16 meetings for the TADDAC. These numbers include the annual joint meeting. TD recommends \$368,800 for committee expenses in the 2003-2004 budget, which includes \$150,000 for interpreters (a \$50,000 advance payment will be provided to contractors on or before June 30, 2003).

⁴ Budget Letter Number 03-02, dated January 29, 2003.

Office Administration

Based upon the proposed contract between the Commission and the CCAF, TD estimates \$1,501,613 for contracted personnel expenses in the office administration category.

TD reviewed office administration expenses for July 2002 through February 2003. Based upon historical trends and lease increases, TD estimates \$186,250 for administrative office expenses; \$502,000 for administrative facility expenses, and \$649,500 for departmental office expenses.

After subtracting \$300,000 in pre-payments that will be provided to vendors on or before June 30, 2003, TD recommends \$2,337,363 for office administration in the 2003-2004 budget.

Other Program Expenses

Consistent with the four other public programs administered by the Telecommunications Division, TD estimates and recommends \$123,000 for Commission fiscal office staff, \$20,000 for public programs programming consultant, and \$30,000 for electronic storage of documents.

NOTICE TO OTHER CARRIERS, ADVICE LETTER FILINGS, AND NOTICE OF AVAILABILITY

In Resolution T-15558 (dated June 8, 1994), we waived the notice requirements of General Order (G.O.) 96-A, Section III.G.1 to furnish competing utilities either public or private with copies of related tariff sheets. We did so because it did not appear to be in the public's interest for each utility to send and receive over two hundred notices advising them of regulatory changes about which they already know. Since that time nothing has happened to change our opinion, so we will waive this notice requirement for tariff changes which comply with this resolution.

The Telecommunications Division (TD) oversees the administration of several public programs. The surcharge rates for some of these programs will be revised effective July 1, 2003 based on the revised adopted FY 2003-04 budgets. For administrative efficiency, we will allow telecommunications utilities that are subject to the surcharges for these various programs to file concurrently revised tariff schedules in compliance with resolutions and decisions revising these surcharges for FY 2004-05 in accordance with the provisions of G.O. 96-A on or before June 14, 2003. These advice letters shall become effective July 1, 2003.

In the past, the Commission has served hard copies of resolutions on all telecommunications carriers and parties on the service list(s). To be consistent with the

Commission's commitment to utilize the Internet for distributing Commission orders and information, the TD has informed the telecommunications carriers and those on the parties of record in I.87-11-031, R.00-05-001 and R.03-03-014 on the availability of the draft resolution as well as the conformed resolution, when adopted by the Commission, on the Commission website, www.cpuc.ca.gov. In addition, a hard copy of the conformed copy of this resolution will be provided to all parties of record in I.87-11-031, R.00-05-001 and R.03-03-014.

COMMENTS

In accordance with P.U. Code Section 311(g), TD mailed a copy of the original draft resolution on May 6, 2003 to the parties of record in I.87-11-031, R.00-05-001 and R.03-03-014. TD received one set of comments from the DDTPAC.

The DDTPAC recommended several increases in the draft 03-04 DDTP budget that TD had proposed. The following section describes those increases. In the cases where TD has agreed to the increases, the increases will be reflected in the *Discussion* section of this resolution.

Telecom Expenses

SB 597

In its comments, the DDTPAC noted that the DDTP forecast for the total SB 597 expenses for this fiscal year equals \$1.5 million. The DDTPAC recommended adding 10 percent to this forecast for anticipated growth in new customers, \$96,000 for fax machines and \$240,000 for web cams for a total of \$1,986,000 for SB 597 in the 03-04 DDTP budget.

TD disagrees with the DDTP forecast. In reviewing actual SB 597 expenses from July 2002 through April 2003, TD estimates total expenses of approximately \$1.16 million. TD reviewed its estimate for SB 597 in the 03-04 budget and included a 10 percent increase for anticipated customer growth and \$96,000 for fax machines. TD notes that web cams are not currently included on the Commission-approved DDTP equipment list. The inclusion of web cams on the list is a policy issue that must be reviewed by the Commission. TD recommends including the estimate of \$240,000 for web cams, but this amount cannot be spent by the program unless web cams are approved by the Commission for inclusion on the DDTP equipment list.

SB 60

The DDTPAC comments included the DDTP forecasts of \$6.4 million for total SB 60 expenses in 02-03. The DDTPAC recommended adding 10 percent for growth in new customers, \$225,000 for a new cordless telephone, \$360,000 each for inductive coupler devices and amplified cordless phones, plus \$150,000 for the anti-stuttering device.

TD disagrees with the SB 60 02-03 forecast. In reviewing actual SB 60 expenses from July 2002 through April 2003, TD estimates total expenses of approximately \$6.015 million. Additionally, the DDTPAC should note that the inductive coupler device and the amplified cordless phone should be included under SB 597. TD has revised its SB 597 estimates to include these two items as reflected in the *Discussion* section of this resolution. TD revised its original SB 60 estimates to include the 10 percent increase as well as the cordless phones and the anti-stuttering device. As with the web cams, the inductive coupler device has not been approved by the Commission for inclusion on the equipment list. TD recommends including \$360,000 in the 03-04 budget for the inductive coupler device, but the program cannot spend the funds unless the Commission approves inclusion of the device on the DDTP equipment list. These revised TD recommendations are reflected in the *Discussion* section of this resolution.

SB 244

The DDTPAC pointed out that a significant portion of the new CRS contract expenses which will be incurred in the first year of operation under the new contracts is related to the Network Management Services (NMS) expenses and recommended that 75% of the NMS first year costs will be budgeted during fiscal year 03-04. TD concurs and has reflected this in the *Discussion* section of this resolution.

Equipment Program

The DDTPAC recommended an increase of twelve percent for freight charges in the 03-04 DDTP budget. The DDTPAC anticipates a five percent increase in fuel prices, an increase of five to nine percent in the general and administrative overhead charge assessed by the warehouse vendor, and increases in freight charges due to new customer growth. TD agrees with the 5 percent increase in fuel prices and a 5 percent increase due to new customer growth. These recommended increases are reflected in the *Discussion* section of this resolution.

Customer Contact

The DDTPAC noted in its comments that TD had recommended that the DDTP add another marketing campaign to focus on the call center. The DDTPAC also noted that during the last call center marketing campaign, call center volumes doubled. The DDTPAC anticipates that the implementation of two marketing campaigns focused on the call center will increase call volumes for two months and recommended that TD revise its estimates for the call center to include two months with high call volumes at \$972,000 each and 10 months with average call volumes of \$415,000 each. TD agrees with this revision and has reflected the revision in the *Discussion* section of this resolution.

The DDTPAC also recommended increasing the amount for Special Projects to \$540,000 annually. The DDTPAC noted that over the past 9 months, the DDTP averaged \$37,000 per month in Special Project charges. Additionally, the DDTPAC noted that the

Marketing and Outreach Outbound Call program (MOOC) is expected to generate increased mailing expenses, because the call center vendor will be adding more outbound call representatives. TD points out that the MOOC program created in June 2002 to utilize unspent minutes that were guaranteed minutes in the call center contract. The call center contract was amended to eliminate the guaranteed minutes, and so the MOOC program now increases the DDTP budget. Until the MOOC program can be justified as effective, TD recommends maintaining current program spending. After reviewing the average monthly special project charges, TD revised its estimates of Special Projects to \$462,000 for the 2003-2004 DDTP budget.

Marketing Media and Materials

The DDTPAC recommended the following increases in the Marketing and Outreach budget:

- | | |
|--|------------------|
| • One additional CTAP campaign
(including brochures, print and radio ads) | \$600,000 |
| • Direct mail to non-English-speaking communities | \$100,000 |
| • MOOC list purchase and fulfillment | \$ 75,000 |
| • Outdoor electronic advertising | \$100,000 |
| • Customer survey | <u>\$ 70,000</u> |
| TOTAL INCREASE | \$945,000 |

The addition of this \$945,000 brings the recommended total Marketing Media and Materials budget to \$2,795,000.

In Resolution T-16663, the Commission approved TD's recommendation that the DDTP take small steps to promote the programs, study the results of the individual programs, and then focus its funding on the advertising media providing measurable results. The two campaigns during the 02-03 fiscal year shows that small steps can be successful. TD recommends continuing this philosophy with the execution of one not two additional marketing campaigns during the 03-04 fiscal year.

In regards to the other marketing recommendations, 1) TD agrees with and recommends the implementation of direct mail to non-English speaking communities at a cost of \$100,000, 2) as was discussed before, the DDTP must justify the effectiveness of the MOOC program before TD recommends additional funding, 3) TD needs justification for outdoor electronic advertising, and 4) the Commission approved \$30,000 in the 02-03 budget for customer surveys and the program spent only \$6,000 as of April 30, 2003. TD sees no justification for further doubling the budget amount for customer surveys.

Administrative Expenses

The DDTPAC questioned the recommendation of \$700,000 for program and financial audits in 2003-2004 when the DDTP has always been able to conduct its yearly financial and equipment audits for less than \$90,000. TD notes that the \$700,000 is for remittance and carrier audits as well as financial and equipment audits. The remittance and carrier audits have never been implemented by the DDTP. The remittance and carrier audits are required by PU Code Section 274, and are consistent with the practice of the other public programs administered by TD.

The DDTPAC recommended that \$30,000 be added for outside legal assistance for the DDTP committees and \$50,000 for consultants to cover outside technical assistance that might be necessary for research conducted by any of the committees. TD notes that as part of the transition, a liaison from the Commission Legal Division will sit on the Telecommunications Access for the Deaf and Disabled Administrative Committee as consul, thus no outside legal assistance is required. This is consistent with the other public programs administered by TD. In regards to the request for consultant funding, any research for the program will be conducted by the program not by the committees, therefore consultant fees are not required.

The DDTPAC added that the 25 percent advance payment to be made to the California Communications Access Foundation should be included in the 03-04 DDTP budget. TD notes that this amount is already included throughout the 03-04 budget as the contracted personnel fees items. The total amount of contracted personnel fees in the 03-04 budget is equal to nine months of fees for 03-04 (the first three months of 03-04 will be the 25 percent advance payment to be made on or about June 16, 2003) plus the 25 percent advance payment to be made on or about June 16, 2004.

TPIC

The DDTPAC reminded the Commission that if the recommendation in R.03-03-014 to move the oversight of the TTY Placement Program to the DDTP is adopted, the TPIC budget will need to be incorporated in this budget. TD has reviewed the draft decision which currently states in the Conclusions of Law that “Public Utilities Code Section 279(a) precludes the Commission from ordering the transfer of the TTY Placement Program from the PSPC to the DDTP program.” TD concludes that the oversight of the TTY Placement Program cannot be transferred to the DDTP without legislative authority.

Other

In order to fund its recommendations and to provide for a 60-day fund balance reserve at June 30, 2004, the DDTPAC recommended that the surcharge be set at .083%. TD notes that it is the policy of the Commission that the public programs budgets include no more than a 30-day fund balance.

FINDINGS

1. The Telecommunications Division estimate of \$57,164,827 for the 2003-2004 budget, as set forth in Column D of Appendix A, is reasonable for the Deaf and Disabled Telecommunications Program and should be adopted.
2. A surcharge rate of 0.047%, effective July 1, 2003, is reasonable and should be adopted and remain in effect until further revised by the Commission.
3. The telecommunications carriers are not required to notice competing utilities for tariff changes that comply with this decision.
4. The Telecommunications Division (TD) oversees the administration of several public programs. The surcharge rates for some of these programs will be revised effective July 1, 2003 based on the adopted 2003-2004 budgets. To maximize administrative efficiency, TD will allow telecommunications utilities that are subject to the surcharges for these various programs to file simultaneously revised tariff schedules in compliance with resolutions and decisions revising these surcharges for FY 2002-03 in accordance with the provisions of G.O. 96-A on or before June 14, 2003. These advice letters shall become effective July 1, 2003.
5. All certificated telecommunications carriers required to file tariffs with the Commission should file advice letters by June 14, 2003 revising the surcharge rate consistent with this Resolution.
6. It is reasonable to require the Telecommunications Division and Information Management Services Division to work with the proposed Deaf and Disabled Telecommunications Program service contractor, the California Communications Access Foundation, to research and develop a proposal for the procurement of a new centralization database and document management system and to submit the proposal to the Director of the Telecommunications Division no later than December 1, 2003.
7. It is reasonable to require that the Telecommunications Division delay actual procurement of the centralization database and document management system until July 1, 2004.
8. It is reasonable to require that the Deaf and Disabled Telecommunications Program Administrative Committee, or its successor, provide justification for and seek approval from the Commission to include web cams and induction coupler devices on the formal Deaf and Disabled Telecommunications Program Equipment List prior to purchasing.

9. It is reasonable to require that funding for the web cam and induction coupler device not be utilized unless the Commission approves the web cam and coupler device for inclusion on the formal Deaf and Disabled Telecommunications Program Equipment List.
10. It is reasonable to include allocations of \$1.95 million in the marketing materials category, as set forth in Column D of Appendix B of this resolution, for a total of three marketing campaigns for the Deaf and Disabled Telecommunications Program.
11. The Telecommunications Division's recommendations are reasonable and should be adopted.

THEREFORE, IT IS ORDERED that:

1. The 2003-2004 budget for the Deaf and Disabled Telecommunications Program shall be \$57,164,827, as set forth in Column D of Appendix A of this resolution.
2. The current surcharge rate of 0.30% shall be decreased to 0.047%, effective July 1, 2003 and remain in effect until further revised by the Commission.
3. All certificated telecommunications carriers in California shall apply this surcharge rate on their end-users' bills rendered on or after July 1, 2003 for intrastate services.
4. To maximize administrative efficiency, TD will allow telecommunications utilities that are subject to the surcharges for these various programs to file simultaneously revised tariff schedules in compliance with resolutions and decisions revising these surcharges for FY 2002-03 in accordance with the provisions of G.O. 96-A on or before June 14, 2003. These advice letters shall become effective July 1, 2003.
5. All certificated telecommunications carriers required to file tariffs with the Commission shall file advice letters by June 14, 2003 revising the CHCF-B surcharge rate to 0.047% to take effect on July 1, 2003. Telecommunications carriers are not required to inform competing carriers of tariff changes which comply with this resolution.
6. The Deaf and Disabled Telecommunications Program Administrative Committee, or its successor, shall provide justification for and seek approval from the Commission to include web cams and induction coupler devices on the formal Deaf and Disabled Telecommunications Program Equipment List prior to purchasing.

7. Funding for the web cam and induction coupler device shall not be utilized unless the Commission approves the web cam and coupler device for inclusion on the formal Deaf and Disabled Telecommunications Program Equipment List.
8. The Telecommunications Division and the Information Management Services Division shall work with the proposed Deaf and Disabled Telecommunications Program contractor, the California Communications Access Foundation, to research and develop a proposal for the procurement of a new centralization database and document management system and to submit the proposal to the Director of the Telecommunications Division no later than December 1, 2003.
9. The Telecommunications Division shall delay the actual procurement of the new centralization database and document management system until July 1, 2004.
10. The outreach media and materials budget for the Deaf and Disabled Telecommunications Program, to include three marketing campaigns, shall be \$1,950,000 as set forth in Column D of Appendix B of this resolution.
11. The Telecommunications Division's recommendations set forth in this resolution are adopted.
12. The Executive Director shall serve hard copies of the conformed Resolution to all parties of record in Investigation 87-11-031, Ruling 00-05-001, and Ruling 03-03-014.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 5, 2003. The following Commissioners adopted it:

WILLIAM AHERN
Executive Director

Resolution T-16747
Deaf and Disabled Telecommunications Program
2003 – 2004 Budget – TD/khy

June 5, 2003

APPENDIX A

Budget for Services Provided to the
Deaf and Disabled Telecommunications Program
2003-2004

	A adopted 2002-2003 budget	B Augmented 2002-2003 budget	C Outlook 2002-2003 budget	D adopted 2003-2004 budget	
				46,823,472	Fund Balance as of June 30, 2003
				-4,351,300	Prepaid Expense (advance to vendors)
				42,472,172	Cash deposit to State Treasury July 1, 2003
				9,508,600	May/Jun 03 surcharges post June 30, 2003
Billing Base	17,750,000,000	17,750,000,000	19,017,199,000	19,845,588,000	
Surcharge Rate	0.003000	0.003000	0.003000	0.000470	
REVENUE					
Surcharges	58,575,000	58,575,000	79,727,205	9,327,426	
Investment Income	0	0	497,171	0	
Miscellaneous Income	0	0	37,998		
CRS Damage Assessments	0	0	340	0	
Interest Income	0	0	0	570,000	
Total Revenue	58,575,000	58,575,000	80,262,713	19,406,026	
PROGRAM EXPENSES					
TELECOM EXPENSES					
S.B. 597 ¹	2,042,800	2,553,500	1,159,608	2,519,800	
S.B. 60 ¹	7,434,600	9,293,250	6,015,317	7,048,463	
S.B. 244 ¹	27,952,800	34,941,000	24,059,134	29,080,938	
Total Telecom Expenses	37,430,200	46,787,750	31,234,058	38,649,201	
ADMIN / DEPT EXPENSES					
Interpreters ²	180,600	230,750	357,897	150,000	
Audit/Accounting ²	390,000	597,500	159,320	700,000	
Legal ²	70,000	87,500	7,950	0	
Consultants ²	60,000	175,000	105,000	0	
Financial Advisor ²	18,000	22,500	0	0	
Trustee ²	37,000	46,250	76,028	0	
DDTP Office Expense ^{2,3}	1,910,400	2,920,341	2,443,333	2,037,363	
Committees ²	161,800	202,250	197,244	168,800	
Equipment Program ^{4,5}	2,230,700	2,915,895	2,509,574	1,892,651	
Field Operations ⁴	2,878,200	4,784,479	3,406,607	3,649,218	
Customer Contact ^{4,6}	6,458,300	8,164,661	8,801,498	5,323,658	
CRS ⁴	502,500	723,670	656,617	684,869	
Outreach Media & Materials ⁴	1,753,000	2,191,250	1,429,260	1,950,000	
Outreach Specialists ⁴	1,377,900	2,315,154	1,558,234	1,786,067	
Other Program Expenses		250,000	250,000	173,000	
Total Admin / Dept Expenses	18,028,400	25,627,200	21,958,562	18,515,626	
TOTAL EXPENSES	55,458,600	72,414,950	53,192,621	57,164,827	
Fund Balance as of June 30, 2004				4,713,371	

Please Note: Outlook 2002-2003 includes only the transition items expected to be utilized

¹ Item amounts are pre-allocated and pre-apportioned. See attached Views 1 - 2.

² Items will be 100% reallocated to General Administration. See attached Views 1 - 2

³ Includes apportionable administrative expenses. See attached View 1.

⁴ Items will be reallocated to SB 597, SB 60 and SB 244. See attached Views 1 - 2

⁵ Items include Commission Fiscal Office Staff costs, programming consultant and electronic storage of documents. Items will be 100% reallocated to General Administration.

VIEW 1: View Before Allocations and Apportionments

**Budget for Services Provided
to the Deaf and Disabled Telecommunications Program
2003-2004**

	D adopted 2003-2004 budget
Beginning Fund Balance	<u>46,823,472</u>
REVENUE	
Surcharges	9,327,426
Toll Revenues	0
Investment Income	0
Miscellaneous Income	0
CRS Damage Assessments	0
Interest Income	<u>570,000</u>
Total Revenue	9,897,426
 DISBURSEMENTS	
S.B. 597	2,519,800
S.B. 60	7,048,463
S.B. 244	29,080,938
Total Program Disbursements	38,649,201
 Equipment Program	1,892,651
Field Operations	3,649,218
Customer Contact	5,323,658
CRS	684,869
Marketing & Outreach	3,736,067
 Administration	2,879,663
Shared Expenses	349,500
Total Disbursements	57,164,827

VIEW 2(a): View After Apportionments

**Budget for Services Provided
to the Deaf and Disabled Telecommunications Program
2003-2004**

	D adopted 2003-2004 budget
Beginning Fund Balance	<u>46,823,472</u>
REVENUE	
Surcharges	9,327,426
Toll Revenues	0
Investment Income	0
Miscellaneous Income	0
CRS Damage Assessments	0
Interest Income	<u>570,000</u>
Total Revenue	9,897,426
 DISBURSEMENTS	
S.B. 597	2,519,800
S.B. 60	7,048,463
S.B. 244	<u>29,080,938</u>
Total Program Disbursements	38,649,201
 Equipment Program	1,928,650
Field Operations	3,685,217
Customer Contact	5,359,657
CRS	708,985
Marketing & Outreach	3,772,066
 Administration	3,061,054
Total Disbursements	57,164,827

VIEW 2: View After Apportionments and Allocations

**Budget for Services Provided
to the Deaf and Disabled Telecommunications Program
2003-2004**

	D adopted 2003-2004 budget
Beginning Fund Balance	<u>46,823,472</u>
REVENUE	
Surcharges	9,327,426
Toll Revenues	0
Investment Income	0
Miscellaneous Income	0
CRS Damage Assessments	0
Interest Income	<u>570,000</u>
Total Revenue	9,897,426
 DISBURSEMENTS	
S.B. 597	4,371,565
S.B. 60	18,622,063
S.B. 244	<u>31,110,145</u>
Total Program Disbursements	54,103,774
 Equipment Program	0
Field Operations	0
Customer Contact	0
CRS	0
Marketing & Outreach	0
 Administration	3,061,054
Total Disbursements	57,164,827

Resolution T-16747
Deaf and Disabled Telecommunications Program
2003 – 2004 Budget – TD/khy

June 5, 2003

APPENDIX B
Marketing Materials Budget for the
Deaf and Disabled Telecommunications Program
2003-2004

Budget Item	A Approved 2002-2003 Expenses	B July 2002 – April 2003 Expenditures	C Outlook 2002 – 2003 Budget	D Recommended 2003-2004 Expenditures
Outreach Media Print	275,000	447,032	536,438	475,000
Outreach Radio	50,000	164,582	197,498	225,000
Outreach TV - budget rollforward	105,000	0	0	0
Outreach Mail Processing	375,000	192,975	231,570	375,000
Outreach Materials Brochures	375,000	213,039	255,647	375,000
Outreach Materials Newsletter	80,000	-8,645	-10,374	75,000
Outreach Video	30,000	11,657	13,988	0
Outreach Web Maintenance	30,000	0	0	0
Outreach Booth Displays	20,000	1,779	2,135	0
Outreach Events	46,000	22,914	27,497	100,000
Outreach Development	20,000	31,814	38,177	25,000
Outreach Agency Commission	10,000	0	0	0
Outreach Promotional Materials	100,000	45,665	54,798	50,000
Outreach Courier	2,000	3,920	4,704	5,000
Outreach Direct Postage Campaign	75,000	0	0	100,000 *
Postage	0	2,839	3,407	5,000
Outreach Printing	0	5,291	6,349	10,000
Outreach Equipment Catalog	90,000	80	96	75,000
Outreach Customer Survey	30,000	6,000	7,200	30,000
Annual Report	35,000	47,382	56,858	25,000
Other	5,000	2,726	3,271	0
	1,753,000	1,191,050	1,429,260	1,950,000

* The \$100,000 in the direct postage campaign is for direct mail to non-english speaking consumers.